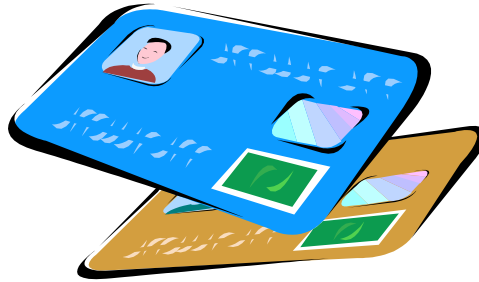


# **MILWAUKEE COUNTY**

## **PURCHASING CARD**

**Small Dollar Purchasing Tool**



## **POLICY & PROCEDURE MANUAL**

**REVISED 02/04**

# Milwaukee County Purchasing Card System

## Policies And Procedures

### 1.0 PURPOSE

To establish methodology for use and to define the limits of use of Milwaukee County issued Purchasing Card provided to designated personnel in order to make purchases of commodities and/of services. The Purchasing Card and associated services is intended to be utilized as an efficient Procurement tool and streamline payment procedures while reducing the administrative burden associated with the current departmental purchase order, (D.P.O. or P. D.), limit. The Purchasing Card is not intended to replace releases, (PG's), and all price agreements currently in place shall continue to be used. However, the Procurement Division may identify and negotiate the use of the purchasing card on selected price agreements as deemed appropriate. Outstanding invoices for commodities previously purchased are not to be paid using the Purchasing Card.

### 2.0 GENERAL

#### 2.1 ABBREVIATIONS

2.1.1 **MCPCS:** Milwaukee County Purchasing Card System

#### 2.2 DEFINITIONS

2.2.1 **County Purchasing Card Coordinator:** The designee of the Procurement Division responsible for communications between cardholders, department card coordinators and the bank. Monitoring of all cardholders, adding new cardholders, deleting or canceling cards of current and former employees. Implement and initiate all training of cardholders, department coordinators, department heads, managers and / or supervisors throughout Milwaukee County.

2.2.2 **Department Card Coordinator:** Full time employee of Milwaukee County responsible for communication of card request and/or changes to the County Purchasing Card Coordinator; monitoring appropriate use of the departments credit card users; oversight of purchasing card process; maintenance of central files for all departmental cardholders; addressing of all departmental payment disputes; and ensuring that all cardholder documentation is submitted and appropriately signed by Department Heads, Supervisors and or Managers.

#### A DEPARTMENT CARD COORDINATOR SHALL NOT BE A CARDHOLDER

2.2.3 **Cardholder:** Fulltime employee of Milwaukee County who has been issued a credit card(s) and is authorized to make purchases in accordance to these procedures. When requesting a Milwaukee County Purchasing card it must be issued to a full-time Milwaukee County employee.

2.2.4 **Vendor:** A company from which a cardholder purchases commodities and/or equipment or services under the provisions of this procedure.

2.2.5 **Bank:** Financial establishment under contract with Milwaukee County responsible for issuing all purchasing cards, processing banking transactions and providing cardholder services.

2.2.6 **Statement of Account:** This is the monthly listing of all transactions by the cardholder, issued by the bank directly to the cardholder.

- 2.2.7 **Single Purchase Limit:** A dollar amount limitation of purchasing authority delegated to a cardholder. This limit is \$2000 per transaction. The Department Head, Manager and or Supervisor determine the monthly limit.
- 2.2.8 **Requisitioner:** A fulltime employee of Milwaukee County who has a need for commodities or services that can only be fulfilled by a vendor. Under the MCPCS procedure, a requisitioner may be a cardholder.
- 2.2.9 **Department Head and or Approving Supervisor:** Fulltime supervisory employee of Milwaukee County responsible for approval of all Departmental Purchasing Card requests and verification of all purchases and transactions made by the Department Cardholder(s). Verification that all transactions appearing on the monthly bank statement are authorized and valid purchases for their department.
- 2.2.10 **Chaining:** The repeated use, on an intentional basis of one of the following purchase methods, (petty cash, purchasing card, or departmental purchasing order (PD)). To acquire the same item, multiple times, which if purchased together the cost would exceed the \$2000 per transaction limit set by Milwaukee County.
- 2.2.11 **Purchasing Limit Violation:** The repeated use, on an intentional basis, of one or more of the following purchasing methods; (petty cash, purchasing card, or departmental purchase order (PD)), to acquire multiple dissimilar items, for a single project, from the same vendor, which if purchased together the cost of all the items would exceed your daily purchasing, per transaction and /or monthly purchasing limit of \$2000.

### 3.0 **PROCEDURE**

#### 3.1 **INTRODUCTION**

- 3.1.1 This program is being established in order to provide a more rapid turnaround of requests for low dollar value commodities and to reduce paperwork and handling cost. By using MCPCS, the traditional requisition – order placement – delivery of commodities, invoice, and voucher review payment cycle is greatly reduced. Those requisitioners who have been issued purchasing cards may now initiate transactions in-person or by telephone, within the limits of this procedure, and receive commodities. Payments to vendors are made via the Visa settlement system. Accounts Payable will make periodic settlements with the bank under contract with the County for purchasing cards and related services.

#### 3.2 **RECEIVING A PURCHASING CARD**

- 3.2.1 The Department Card Coordinator shall forward the following to the Procurement Division for processing in order to obtain a employee Purchasing Card:
- Memorandum signed by the Department Head or designee authorizing departmental cardholders information.
  - Code blocking form, indicating items authorized for purchasing by the cardholder.
  - Employee agreement, upon completion of training, the employee will initial and date the agreement indicating knowledge of all policies and procedures that govern the Milwaukee County Purchasing Card.
- 3.2.2 The Purchasing Card Coordinator or designee shall maintain all records of credit card request, limits, cardholder transfers and lost / stolen / destroyed card information.

**UNDER NO CIRCUMSTANCES SHALL CHANGES BE MADE TO THE PURCHASING CARD WITHOUT THE EXPLICIT AUTHORIZATION AND IMPLEMENTATION OF THE PROCUREMENT DIVISION**

- 3.2.3 Cardholders shall not be authorized to receive initial or replacement cards directly from the bank. All requests for changes to existing cards, replacement cards, lost cards must be coordinated and received through the Procurement Division.

**3.3 PURCHASING CARD USE**

- 3.3.1 The Purchasing Card that the cardholder receives has his/her name and account number embossed on it and shall ONLY be used by the cardholder. **NO OTHER PERSON IS AUTHORIZED TO USE THE PURCHASING CARD.** The cardholder may make transactions on behalf of others in their department. However, the cardholder is responsible for all use of his/her card.
- 3.3.2 Use of the Purchasing Card shall be limited to the following conditions:  
**(OTHERS MAY APPLY)**
- a. The total value of a transaction shall not exceed the cardholder's single purchase limit identified in 2.2.7. payment for a purchase WILL NOT be split into multiple transactions to stay within the single purchase limit of \$2000.00
  - b. **Chaining is prohibited:**  
EXAMPLE: Invoice for \$2079.00 – payment split by using two cards making it appear on each card as a payment of \$1039.50 each. (This form of chaining is a direct violation of the purchasing cards policies and procedures and is just one among many ways to chain.
  - c. Any transaction done in person will require a Milwaukee County ID to be presented at the time of transaction. All items purchased “over the counter” must be immediately available at time of purchase.  
**NO BACK ORDERS ALLOWED**
  - d. Your monthly spending limit must not be exceeded.
- 3.3.3 The cardholder shall inform the Vendor that the commodities are NOT to be taxed and present the letter of tax exemption.
- 3.3.4 The items or services that may be procured by using the purchasing card are limited by Section 3.4

**3.4 UNAUTHORIZED PURCHASING CARD USE**

- 3.4.1 The purchasing card **SHALL NOT BE USED FOR THE FOLLOWING PURPOSES:**
- a. Personal purchases or identification.
  - b. A single transaction that exceeds \$2000.00.
  - c. Travel expenses (including meals, entertainment, registration fees, seminars, Hotels/motels, airlines, rental cars, etc.).
  - d. Cash advances.
  - e. Food purchases for departmental functions of any kind (training, seminars etc.)
  - f. Floral arrangements or flower shop purchases (death, presentations, appreciation etc).
  - g. Telephone calls/monthly cell services – cable TV.
  - h. Goods currently covered by a price agreement except those identified and designated for purchasing card use by the Procurement Division.
  - i. Outstanding invoices for goods and services previously received.
  - j. Internet (ex. Setting up an account online for a payment provider service).

- k. You may not make unauthorized purchase with the purchasing card intending to reimburse the County by cash, personal check, cashiers check or money order.

3.4.2 A cardholder who uses the county credit card for personal or unauthorized purchases shall be subject to any or all of the following actions:

**First Violation:**

- Written warning/notification of violations, copies sent to Department Head, Approving supervisor and Department Card Coordinator. Copy of violation will also be placed in the master file at the Procurement Division.

**Second Violation**

- Cancellation of purchasing card privileges.

**THE FIRST VIOLATION COULD RESULT IN THE SUSPENSION AND /OR CANCELLATION OF THE PURCHASING CARD PRIVILEGES DEPENDING ON THE NATURE OF THE VIOLATION.**

3.4.3 Department Card Coordinators are **REQUIRED** to document all warnings, verbal or written of any employees unauthorized purchasing card use in the employees' records. **FORWARD ALL INFORMATION TO THE COUNTY PURCHASING CARD COORDINATOR FOR ACTION TO BE TAKEN, AND RETENTION IN THE EMPLOYEE'S MASTER PURCHASING CARD FILE.**

**NOTE: If there are questions regarding the purpose or type of purchases you are making please contact the Procurement Division, Purchasing Card Coordinator or Designee for assistance.  
223-8114**

3.5 **MAKING A PURCHASE**

3.5.1 Procurement procedures permit a purchase of commodities or services if their value is \$2000.00 or less, to be made from a vendor of choice. This implies the possibility of not comparing sources of competition between vendors. However, it is also policy to seek competition and the lowest prices within the parameters of quality and delivery. Also, and as stated in 3.6.3(1), Milwaukee County encourages solicitation and use of disadvantaged businesses whenever possible. Accordingly, whenever making a purchasing card purchase the cardholder will check as many sources of supply as reasonable to the situation to assure best price and delivery. Where possible the purchasing department will establish pricing agreements.

3.5.2 Cardholders will utilize the following "CHECKLIST" when making a purchase:

Once a vendor is designated and that vendor confirms that the commodities and /or services is available, meets the specification and delivery requirements, etc:

- a. Confirm that the vendor agrees to accept VISA
- b. Identify yourself as a Milwaukee County Purchasing Cardholder
- c. Confirm that the vendor understands and accepts Milwaukee County's Tax Exempt status.
- d. Direct the vendor to include the following information on the shipping label and packing list. The packing list must contain the items shipped, the quantity shipped and the cost.

- Cardholder's name and telephone number
  - Complete delivery address
  - The words "Purchasing Card Purchase"
  - The vendor's order number
- e. It is extremely important that all purchases be sent to the cardholder ordering the merchandise, as this will ensure that the documents necessary for the record keeping procedures, (Section 3.6 Policy and Procedure Manual), and are readily available to the cardholder.
- f. If necessary, advise the individual within your department who receives merchandise of the vendor's name and order number, anticipated delivery date, number of items/boxes expected, carrier and to notify you, the cardholder, when the delivery is made.
- g. Orders that are phoned in by the cardholder and picked up by someone other than the cardholder must be signed off on the receipt by both the cardholder and the individual picking up the items.

### 3.6 CARDHOLDER RECORD KEEPING

- 3.6.1 Whenever a purchasing card purchase is made, either over the counter or by phone, the documentation shall be retained as proof of the purchase. Such documentation will be used to verify the purchases listed on the cardholder's monthly statement of account.
- 3.6.2 When the purchase is made over the counter, the cardholder shall retain the invoice and "customer copy" of the charger receipt. The cardholder is responsible to checking the commodities ensuring that the quantity is listed, that the items are fully described and that sales tax was not included prior to the cardholder signing the receiving slip. The transactions details shall also be added to the cardholders purchasing log.
- 3.6.3 The procedure for filling out the purchasing log completely and accurately are as follows:
- a. Enter the cardholders name, card number, department/division, transactions, and monthly limits including the month the transactions occurred.
  - b. Enter the date items ordered/purchased.
  - c. Enter the requestor (cardholder).
  - d. Enter the vendor's name.
  - e. Enter yes or no – DBE firm.  
**The County has a 4% DBE goal for commodities. Milwaukee County encourages solicitation and use of disadvantaged business whenever possible. Contact the Community Business Partners at 278-5248 for verification of certified DBE vendors.**
  - f. Enter items purchased, quantity, unit price, amount, date received.
  - g. Enter in the comments section a description for all non-routine purchases.
  - h. Obtain the approving supervisors signature and date.
- 3.6.4 When making a purchase by phone, the cardholder shall also document the transaction on the "Purchasing Log".
- 3.6.5 When the commodities are received after placing the phone order, retain all shipping documentation for your records.

3.7 REVIEW OF MONTHLY STATEMENT

**CARDHOLDER**

- 3.7.1 At the end of each billing cycle, the cardholder shall receive from the Bank his/her monthly statement of account that will list the cardholders' transactions for that period.
- 3.7.2 When bank statements are received **it is the responsibility of the cardholder to reconcile their monthly bank statements**. All transactions must match what is on the purchasing log, receipts and or shipping documents.
- 3.7.3 The cardholder shall check each transaction listed against their purchasing log, receipts and any shipping documentation to verify the accuracy of the monthly statement. The original documents, (packing slip, invoice, cash register tape and credit card slips, etc) for all items listed on the monthly statement **MUST** be neatly attached, in purchasing log sequence, to the statement. This data attachment is critical to provide audit substantiation. **IF THIS ROUTINE IS NOT ADHERED TO, THE CARDHOLDER IS IN VIOLATION AND THE PURCHASING CARD SUBJECT TO CANCELLATION.** The careful matching of complete support documents to the log and to the statement is vital to the success of the purchasing card program.
- 3.7.4 If the cardholder does not have documentation of a transaction listed on the monthly statement, they shall attach an explanation that includes a description of the items purchased, date of purchase, vendor's name and the reason for lack of supporting documentation. These exceptions shall be held to a minimum or the card may be revoked.
- 3.7.5 Purchasing Card Returns – if an item is not satisfactory, received in error, damaged and or defective, duplicated, etc., the cardholder should make contact with the vendor to explain the problem and inquire about return policies. If the vendor has not replaced or corrected the item by the date the cardholder receives their monthly statement, the purchase of that item will be considered in dispute.
- 3.7.6 If the cardholder is disputing a charge, they shall complete a dispute form. (Forms can be obtained for department coordinators). The form should be attached and submitted with the purchasing log. If the item was returned and a credit voucher received, the cardholder shall verify that this credit is reflected on their monthly statement. If purchased items or credits are not listed on the monthly statement, the appropriate transaction documentation shall be **RETAINED** by the cardholder until the next monthly statement. If the purchase or credit does not appear on the statement within 60 days after the date of purchase, the Approving Supervisor shall notify the Department Card Coordinator and if appropriate, the Procurement Purchasing Card Coordinator or Designee.
- 3.7.7 After this review, the cardholder shall sign the purchasing log and present that log, including sales documents and monthly statement to their Approving Supervisor for approval and signature. The cardholder shall review the monthly statements and secure their Approving Supervisor's approval within five (5) working days of receipt of the bank's monthly statement.

### **APPROVING SUPERVISOR**

- 3.7.8 The Approving Supervisor shall check the cardholders monthly statement and purchasing log in order to confirm the cardholders purchases are as follows:
- Receipts and shipping documents exist for each purchase.
  - The commodities were received and /or services performed.
  - The cardholder has complied with applicable procedures and all purchases were made have been authorized by Approving Supervisors.
  - Any items noted on the log that do not conform to the policies of this manual shall be noted in writing and forwarded to the cardholder.
  - The Approving Supervisor's signature/approval of a cardholder's monthly statement indicated that the cardholder was authorized to make those purchases and the purchases were made in accordance to all applicable procedures. Upon review and approval the cardholder's monthly statement and log will be forwarded to the Department Card Coordinator.

### **DEPARTMENT CARD COORDINATOR**

- 3.7.9 The Department Card Coordinator will ensure that the cardholder and Approving Supervisor have signed all cardholder's monthly statements and logs. FOR SMALL DEPARTMENTS, THE DEPARTMENT CARD COORDINATOR MAY ACT AS THE APPROVING SUPERVISOR. DEPARTMENT CARD COORDINATORS SHALL NOT BE A CARDHOLDER.
- 3.7.10 Any dispute forms received from cardholders shall be reviewed and sent to the bank. For mailing, follow the instructions on the bank dispute form and add your name and phone number.
- 3.7.11 The Department Card Coordinator must reconcile on a monthly basis all departmental cross-charges from the Department of Administrative Services of purchasing card charges with the total of the department's individual cardholder's monthly statement.
- 3.7.12 NO PURCHASING LOGS OR MONTHLY STATEMENTS SHALL BE FORWARDED TO CENTRAL ACCOUNTS PAYABLE OR THE PROCUREMENT DIVISION.

### **3.8 CARDHOLDER RECORD RETENTION**

Department Card Coordinators or their designee will maintain and file all cardholders statements, sales documents and purchasing logs on a monthly basis. Departments shall retain all associated purchasing card documents for **seven (7) years.**



### 3.9 CARD SECURITY

- 3.9.1 It is the cardholder's responsibility to safeguard the purchasing card and account number information to the same degree that a cardholder safeguards their personal credit card information.
- 3.9.2 If the card is lost or stolen the cardholder shall immediately notify the Bank at 1-800-393-3526. Representatives are available 24hrs. a day. Advise the representative that the call is regarding a VISA Purchasing Card for Milwaukee County. All other communications with the Bank must be coordinated through the Procurement Division Purchasing Card Coordinator or Designee.
- 3.9.3 The Department Card Coordinator and Procurement Purchasing Card Coordinator are to be notified immediately. If a replacement card is needed the Department Card Coordinator shall notify the Procurement Purchasing Card Coordinator for issuance of a replacement card.
- 3.9.4 A new card shall be promptly issued to the cardholder (**retraining may be scheduled depending on the length of time training was done prior**). A card that is subsequently found by the cardholder after being reported lost or stolen shall be returned to the Procurement Division Purchasing Card Coordinator and it will be destroyed. (**Please do not send cards cut into pieces**)

### 3.10 CARDHOLDER SEPERATION

It is the responsibility of the Approving Supervisor and or Department Card Coordinator to obtain the purchasing card and current cardholder-purchasing log from the cardholder prior to separation from the company and /or department. Upon receipt, the Approving Supervisor will review, approve and forward to the Department Card Coordinator the month end credit card statement.

The Procurement Division Purchasing Card Coordinator must be notified immediately of a cardholder that is no longer employed by Milwaukee County or transferred to another County department. The purchasing card of that individual must be turned in to the Procurement Division for cancellation.

**Under no circumstances shall a purchasing card remain in the possession of an employee after their separation from their department or Milwaukee County.**